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STATE OF CONNECTICUT  
HOUSE OF REPRESENTATIVES  
HARTFORD, CONNECTICUT 06106-1591

**Testimony of House Majority Leader Denise Merrill in favor of H.B. 5368:**  
**No Worker Left Behind**

Thank you Chairman Willis and Chairman Handley, and members of the committee.

Today, I am here to testify on the No Worker Left Behind bill.

As you know, I and Senate Majority Leader Martin Looney jointly convened a group this fall which we called the Majority Leaders' Job Growth Roundtable. Members of the Senate and the House were included in the Roundtable, and it also included leaders in the business community, labor, educators, entrepreneurs and venture capitalists.

The mission of this roundtable was to evaluate strategies to facilitate job growth and strengthen our economy.

Many of the themes were familiar, and, of course, education was one mentioned quite frequently. An educated workforce is important to attracting high quality jobs. High quality jobs will mean a higher standard of living for families and greater opportunities for their children. For generations, it's been education that has been the pathway to achieving the "American Dream".

Here at the legislature, we have struggled over the last year to preserve a minimum standard of living for our most vulnerable residents by minimizing cuts to services. But make no mistake about it. Connecticut's budget woes are the symptom of the real problem---job loss.

According to the Dept of Labor, Connecticut has over 160,000 unemployed people.

The equation is a simple one. When people loose jobs, people need government services.

The No Worker Left Behind bill gives Connecticut residents new opportunities. This bill would allow for tutition assistance in the amount of \$5,000 a year for two years to people who have:

- have been laid off or received notice of layoff
- someone who is working but whose family income is less than \$40,000 a year, or
- someone who is seeking to get off of public assistance.

The people enrolled would have to pursue degrees or certificate programs in an emerging industry or entrepreneurship program, or in in-demand occupations, as determined by the Workforce Development Boards, or perhaps the Department of Labor. Those enrolled would also have to complete their studies in four years or they will be responsible for the reimbursement of the tuition assistance.

There is a program of the same name in Michigan, which has produced very impressive outcomes over the first 18 months of the program, and been cited by President Obama as a model for the nation.

Michigan, as we know, has been devastated by the losses in the auto industry. During the time of the 18 month evaluation for the program, that state's unemployment rate was double the national average.

The program core target group is people who are unemployed or underemployed. It also serves people seeing to come off public assistance.

- In Michigan, of the nearly 35,000 participants who completed the training 72% obtained or retained jobs.
- Of those participants who were unemployed or underemployed, 48% found new jobs. That's an impressive outcomes, considering that many of those counted were just begining their job search in a state with double-digit unemployment rates.
- Of that 48% that found jobs, nearly 90% of them got one related to their No Worker Left Behind Training. That shows that the program is successful: it trains workers for in-demand jobs and meets employer needs.
- The job retention training helped nearly 17,000 workers gain new skills to keep their jobs, or advance to new ones. Addressing job retention is essential because it tackles the problem of employers who are at risk of closing unless they diversity, develop new customers, make new products, or otherwise transform their businesses in ways that require employees to be retrained.

Economists agree that there is a strong correlation between higher education, higher employment, and higher wages. Yes, a program like this takes resources, but I have no doubt that the return on our investment will be well worth it.

- Michigan paid for its program with a combination of federal resources. Training for the unemployed and underemployed workers is mostly paid for by funds from the Workforce Investment act, which supports retraining and help to unemployed and underemployed workers finding jobs; and the Trade Adjustment Assistance Act, which provides retraining and supportive funding for workers who lose their jobs as a result of global economic forces.

- The training for people seeking to come off public assistance can be funded with federal TANF funds for job training.

The program is distinctly different than the Governor's proposal. The main goal of her proposal is to keep youth in Connecticut, and, yes, I would agree that that is an important goal. But that isn't something that the No Worker Left Behind bill seeks to do. Its goal is to put people back to work, or help families gain economic independence by providing education and training.

The Governor's proposal also defines in statute what career tracks are assisted and No Worker Left Behind does not. This bill is both comprehensive and flexible. It allows for the appropriate state entity – the Workforce Development Boards, or perhaps the Dept of Labor--- to align the needs of the state's businesses with the workforce development.

I invest my faith in your expertise to evaluate this proposal. Thank you for your time and your hard work.



# Fact Sheet NO WORKER LEFT BEHIND



## *No Worker Left Behind*

Enabling workers to acquire the skills necessary to succeed in the fast-changing global economy of the 21<sup>st</sup> Century is central to Michigan's strategy for economic transformation. In her 2007 State of the State Address, Governor Jennifer Granholm announced the *No Worker Left Behind* (NWLB) free tuition program to help Michigan workers create a prosperous future. The Governor continued to stress the importance of education, training, and lifelong learning for our adult workforce in her 2008 State of the State Address. The vision for *No Worker Left Behind* is to:

- Accelerate worker transitions through learning
- Support the state's employers and economic development needs
- Align the use of existing training resources

## *The Case for NWLB*

- Michigan's economy is transforming into one that is knowledge-based, as more and more manual labor is mechanized and computerized. In order to accelerate this transformation, Michigan needs to continue to attract and create good jobs, while also fostering a culture of entrepreneurship to help individuals launch and grow their own businesses.
- A critical piece of this equation is equipping Michigan workers with the right sets of skills and educational attainments to seize new opportunities in the emerging economy. Jobs in knowledge-based industries require significant postsecondary training or a bachelor's degree.
- The *No Worker Left Behind* free tuition program is an opportunity to prepare the state's workforce for success in this changing economy. NWLB aims to help workers who are either unemployed or working in low-wage jobs get the right skills and credentials for jobs in the emerging economy, advanced manufacturing, health care, biotechnology, renewable energy, and other growing sectors.

## Highlights So Far

- 108,884 enrolled in training a/o November 30, 2009
- Thirty-five percent more workers enrolled in the program's second year than in the first.
- Educational institutions added or updated 29% more programs from the first year.
- Website activity is also up in year two: We had a over a million more visits to our web site in year two compared to year one.

- *No Worker Left Behind* is a paradigm shift for Michigan, and it is exactly what we need to accelerate worker transitions and contribute to the state's economic transformation and global competitiveness. NWLB is making Michigan a symbol of lifelong learning in the United States.

## *NWLB Features*

- Up to two years worth of free tuition at any Michigan community college, university or other approved training program;
- A skills assessment administered by the Michigan Works! Agencies (MWAs);
- Must pursue a degree or occupational certificate in a high-demand occupation or emerging industry, or in an entrepreneurship program;
- Free tuition program is a one-time offer

## *Tuition*

- Tuition includes instructional costs, books, materials, fees (such as application costs, registration, and laboratory fees), and academic supportive services (counseling and career advising).
- Tuition assistance is capped at \$5,000 per year for two years, or a total of \$10,000 per person.

## *Training*

- *No Worker Left Behind's* primary focus is on the attainment of certificates or associate's degrees

of value in the labor market leading to a job in high-demand occupations, emerging industries, and entrepreneurial endeavors. However, bachelor's degree completion and even master's programs are allowable if the educational program meets all other core criteria (two years or less needed; will lead to job in high demand, emerging sector, or entrepreneurial endeavor; etc).

- Local Michigan Works! Agencies will be able to help participants identify high demand occupations in their region.
- Eligible participants can receive up to two years' worth of tuition for education or training.
- Once enrolled, participants need to complete training within four years of starting the program.
- Education and training providers must be licensed by the State of Michigan and/or be accredited in order to have participants funded by *No Worker Left Behind*.

#### *Who Can Participate in NWLB?*

- Any person who is currently unemployed; or
- Any person who has received a notice of termination or layoff from employment; or
- Any employed person whose family income is \$40,000 or less.
- Participants must be at least 18 years old, must not have graduated from high school in the last two years, and must not be full-time college students (applies to 18-23 year olds only).

#### *Placement*

Upon completion of coursework and the attainment of a degree or certificate, many *NWLB* participants will require support in re-entering the

workforce. MWAs will be responsible for placement, but will collaborate with the education/training providers to leverage employer connections and institutional placement services already available.

#### *Funding*

- *No Worker Left Behind* is currently being funded with a mix of federal training resources across several programs. Every available dollar of existing federal funds is focused in support of NWLB; and the American Recovery and Reinvestment Act (ARRA) infused millions of extra federal dollars to assist in getting workers retrained.
- In determining how free tuition will be funded for each participant, Michigan Works! Agencies and training providers will leverage federal and state financial aid grant resources, federal employment and training programs, as well as other resources, such as educational benefits included as part of a buy-out from a previous employer.
- Financial aid officers at educational institutions will work with their local MWA to negotiate a financial aid package for each eligible student.

#### *Projected Outcomes*

- Raising the number of at risk workers who attain certificates and degrees;
- Increasing the number of participants who gain employment related to the training they undertake; and
- Increasing the percentage of participants who achieve wage increases due in part or whole to their participation in the program.

### **No Worker Left Behind Partners:**

Michigan Department of Energy, Labor & Economic Growth  
[www.michigan.gov/dleg](http://www.michigan.gov/dleg)

Michigan Works! Association  
[www.michiganworks.org](http://www.michiganworks.org)

Michigan Community College Association  
[www.mcca.org](http://www.mcca.org)

Michigan's 4-year Colleges and Universities

Michigan Proprietary Schools

**For more information: E-mail us at**

or call 517-335-1319.

**[www.michigan.gov/nwlb](http://www.michigan.gov/nwlb)**

DELEG is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

## **No Worker Left Behind – Outcomes for First 18 Months August 1, 2007 – February 28, 2009**

No Worker Left Behind (NWLB) is Governor Jennifer Granholm's breakthrough initiative to double the number of Michigan workers trained for new careers in our state. NWLB provides up to \$10,000 for two years' worth of education plus other supports for any unemployed or underemployed worker willing to study towards a degree or certificate leading to an in-demand job in Michigan.

Michigan workers have responded to Governor Granholm's call to reinvent themselves and our state workforce with unbridled enthusiasm. In just 26 months 102,413 workers have entered training. But what happens to these people once they're in the program? How do they fare? In the midst of the worst national economic collapse and long-term unemployment crisis since the Great Depression – and in the hardest hit state – how many are able to find jobs related to their training, or find jobs at all?

Today, for the first time, we are releasing outcomes data for No Worker Left Behind. Much of the data that follow focuses on un- and underemployed workers who have been displaced by the shift from the traditional industrial age economy – what we call the “core NWLB” population.

However, the initiative also includes other types of workers who receive state and federal workforce support. Hence this report incorporates data on “retention training” for workers at risk of losing their jobs; training to help people with disabilities gain employment and self-sufficiency; and training for people trying to come off of public assistance provided by the federal Temporary Assistance for Needy Families program.

Beginning today, we will report these outcomes on a quarterly basis. In future reports, we will examine additional questions to supplement those in this baseline report as we seek to build an increasingly sharp understanding of the results and impact of No Worker Left Behind. Aggregate outcomes appear below, along with a brief analysis of the results. More detailed outcomes for each constituent program are contained in the following data tables.

## No Worker Left Behind 18 Month Outcomes

<b>Who enrolled in training?</b>	<b>62,206</b>	<b>100%</b>
Core NWLB*	25,687	41%
Job retention trainees	16,843	27%
People trying to come off public assistance	10,533	17%
Michigan Rehabilitation Services customers	9,143	15%
<b>Where are they at in their training?</b>	<b>62,206</b>	<b>100%</b>
Workers still in training	18,101	29% enrolled
...long-term training	11,548	77%
...short-term training	6,552	23%
Workers who completed training	34,355	55%
Workers who didn't complete training	9,750	16%
<b>Who has completed training so far?</b>	<b>34,355</b>	<b>100%</b>
Core NWLB*	11,613	34%
Job retention trainees	16,843	49%
People trying to come off public assistance	4,205	12%
Michigan Rehabilitation Services customers	1,694	5%
<b>Have they gotten jobs? Related to training?</b>	<b>34,355</b>	<b>100%</b>
Got/Retained Job	24,699	72% of those trained
Got a new job	7,856	
Core NWLB*	5,559	86% related to training
Coming off public assistance	1,436	17% related to training
MRS customers	861	89% related to training
Retained job (job retention trainees)	16,843	
Still looking for a job	9,656	28% of those trained
Core NWLB*	6,054	
Coming off public assistance	2,769	
MRS customers	833	

\*Core NWLB participants are those served by the nation's workforce system, i.e., unemployed and underemployed workers seeking new careers who are funded by the federal Workforce Investment Act and Trade Adjustment Assistance Act.



## Key Findings in First 18 Months of No Worker Left Behind

- In the first 18 months of No Worker Left Behind (August 2007 – February 2009), **62,206 people enrolled in training** – a phenomenal response. It defies the conventional wisdom that adult workers aren't interested in training. Clearly, Michigan workers see that new skills and credentials increase their ability to obtain and hold jobs.
- **34,355 NWLB participants completed training** during those 18 months (55% of those enrolled). **Another 18,101 were still in training** as of February 2009 (29%), while 9,750 (16%) did not complete training.
- Most of those who enrolled in No Worker Left Behind are either unemployed or underemployed workers seeking new jobs or employed workers being retrained to help ensure job retention. The rest are people trying to come off public assistance or clients of Michigan Rehabilitation Services.
- **Job retention training helped 16,843 workers gain new skills** they need to keep jobs or advance to new ones while helping the 1,066 firms that employ them to diversify or otherwise transform their business and increase their ability to succeed.
- As of February 2009, **7,856 NWLB participants who were seeking a new job completed training and obtained employment**. That baseline number will increase steadily and substantially in coming months as more NWLB participants graduate and find jobs. This 18-month snapshot of employment results shows the first set of people who reached success at the end of what will often be a 1-2 year journey.
- **The core of NWLB is unemployed and underemployed workers** seeking skills that lead to new jobs and careers. In the first 18 months of NWLB:
  - **45% of them had completed training, 46% were still in training, and just 9% had left without completing training.**
  - Of those who had completed training, **48% had already found a job while 52% were still looking**. That's an excellent result given that many of those counted were just beginning their job search, and the job market is horrible. There are **over fifty resumes of available workers for every available job** on Michigan's Talent Bank.
  - **86% of those who had found a job got one related to their NWLB training**. That's a great indicator that NWLB is doing what Governor Granholm envisioned – training workers for in-demand jobs and meeting employer needs.
  - Among those still in training, **77% were in long-term training** and just 23% in short-term training. That's **more than triple the national percentage** of people in long-term training. These numbers represent a dramatic increase in people opting for long-term training from the past, when most program participants either did no training or, at most, short courses. Longer term training, as encouraged by NWLB, allows workers to get skills and credentials valued by employers and dramatically increases their ability to find good jobs.
  - Thirty-seven percent of these participants pursued credentials in health care, 15% in management and other professions, 10% in transportation, 8% in manufacturing, 7% in IT, and 23% in all other fields.

## Workers Being Retrained -- National vs. Michigan Results

Adult & Dislocated Workers (Workforce Investment Act)

Is No Worker Left Behind a model for the nation? President Obama suggested as much when he spoke at Macomb Community College on July 14, 2009. How has our experience been different from the nation as a whole since we instituted the initiative in August 2007?

There are no national data exactly comparable to the NWLB data we keep in Michigan, but if you compare the bulk of our "core NWLB" population with the national equivalent, you find significant contrasts. Looking at those served with federal Workforce Investment Act dollars through the Adult and Dislocated Worker programs, the most recent national data show that 17.5% of workers were put into training, and 24% of them were in longer term training, i.e. one year or more. Looking at our first eighteen month period of NWLB, by contrast, in Michigan we are putting 42% of workers into training (more than double the national average). And of those Michigan workers in training, 77% are in training for one year or more (more than triple the national average).

With the Workforce Investment Act up for reauthorization in Congress, the Michigan experience appears to show that a revamped national workforce system could put many more workers into training – and more substantial training targeted to in-demand jobs.

### National

*Data covering April 2007-March 2008*

Adult & Dislocated Workers	
Total workers served	1,010,051
Workers who received training services	176,388
% who received training services	17.5%
Long-Term Training (1 year or more)	24%

### Michigan

*Data covering August 2007 - February 2009*

Adult & Dislocated Workers	
Total workers served	48,361
Workers who received training services	20,336
% who received training services	42%
NWLB Long-Term Training %	77%

## No Worker Left Behind Outcomes: The Core of NWLB – Unemployed & Underemployed Workers

The First Eighteen Months, August 1, 2007 – February 28, 2009

Enrolled	Still in Training			Completed Training				Didn't Complete Training
	Total	Short-Term	Long-Term	Total	Got Job	Job Related to Training	Still Looking for Job	
25,687	11,810	2,768	9,042	11,613	5,559	4,807	6,054	2,264

Sources: State of Michigan One-Stop Management Information System (OSMIS), data obtained from the 25 Michigan Works! Agencies.

- Training for unemployed/underemployed workers is mostly paid with funds from two federal programs:
  - The *Workforce Investment Act (WIA)*, which supports retraining and help to unemployed and underemployed workers in finding jobs; and
  - The *Trade Adjustment Assistance Act (TAA)*, which provides retraining and supportive funding for workers who lose their jobs as a result of global economic forces.
- Among the 25,687 unemployed and underemployed workers who enrolled in NWLB during this time, 46% completed training, 45% are still engaged in it, and 9% dropped out.
- Of the unemployed and underemployed workers who completed training, about half found a new job and half are still looking for employment.
- Of those who found employment, in 9 out of 10 cases it was related to their training.
- Of those who are still in training, 77% of them are in long-term training (greater than 1 year) and 23% are in short-term training. This reflects state policy encouraging and supporting long-term training to ensure learners obtain educational credentials and skills that will improve their ability to find good jobs.

## No Worker Left Behind Outcomes: Job Retention Training

The First Eighteen Months, August 1, 2007 – February 28, 2009

Employers Participating	Total Trained Employees
1,066	16,843

Sources: Incumbent Worker data reported to DELEG by Michigan Works! Agencies.

- Job Retention Training tackles the problem of employers who are at risk of closing or shrinking unless they diversify, develop new customers, make new products, or otherwise transform their businesses – in ways that require employees to be retrained.
- Job Retention trainees enrolled in No Worker Left Behind are already employed but need to acquire or upgrade skills to maintain their current position or qualify for a new position with their employers.
- 16,843 employees of 1,066 different companies participated in training and were retained by their employers. These are good jobs saved in Michigan.

### Program Year 2008 – Industry Participation Analysis

Industry Involvement						Part of a Regional Skills Alliance
Manufacturing	Health Care	Gov't/Non-Profit	Technology	Construction	Human Services	
59%	14%	5%	4%	4%	2%	14%
						61%

Sources: Incumbent Worker data reported to DELEG by Michigan Works! Agencies.

- 73% of all companies that participated in No Worker Left Behind Job Retention Training in program year 2008 were from either the manufacturing sector or health care sector.
- 61% of all companies were actively involved in a Regional Skills Alliance. Michigan Regional Skills Alliances are employer-driven business and community partnerships focused on addressing workforce needs for an industry sector.

## No Worker Left Behind Outcomes: People Trying to Come Off Public Assistance

The First Eighteen Months, August 1, 2007 -- February 28, 2009

Enrolled	Still in Training			Employment Outcomes - Completed Training				Didn't Complete Training
	Total	Short-Term	Long-Term	Completed Training	Got Job	Job Related to Training	Still Looking for Job	
10,533	1,488	1,047	441	4,205	1,436	251	2,769	4,840
		70%	30%		34%	17%	66%	

Sources: State of Michigan One-Stop Management Information System (OSMIS), data obtained from the 25 Michigan Works! Agencies. Variation between Enrolled in Training and the sum of Still in Training, Completed Training and Didn't Complete Training is a timing issue caused when similar reports are ran on different days i.e. enrollments may be added between runs.

- Training for people seeking to come off public assistance is provided through the Jobs, Education & Training (JET) program, using federal Temporary Assistance to Needy Families (TANF) funding.
- Among the 10,533 people seeking to come off public assistance who enrolled in No Worker Left Behind during this period, 40% completed training, 14% are still engaged in it, and 46% dropped out without completing training. Causes of the high dropout rate among this customer set include:
  - Current federal work participation requirements are not conducive to the NWLB model. In many instances, the participant requires remedial education, which can not be counted towards the required federal performance factors.
  - Severe reduction in JET and JET Plus funding may have caused Michigan Works! Agencies (MWAs) to dramatically limit the number of participants allowed to continue with their education during FY 2009.
  - JET population faces many barriers that often inhibit their ability to complete educational objectives or maintain self sufficiency.
- Of those who completed training, about 34% found a job and 66% are still looking for employment. This is consistent with national data about the challenges faced in finding work among people coming off public assistance.
- Of those coming off public assistance who are still in training, one-third of them are in long-term training (greater than 1 year) and two-thirds are in short-term training, the reverse of the results among unemployed/underemployed workers. This reflects federally mandated time limits for participation in JET combined with acute financial and family support challenges among this segment of the customer base.

## No Worker Left Behind Outcomes: Michigan Rehabilitation Services Customers

The First Eighteen Months, August 1, 2007 – February 28, 2009

Enrolled	Still in Training			Employment Outcomes - Completed Training				Didn't Complete Training
	Total	Short-Term	Long-Term	Completed Training	Got Job	Job Related to Training	Still Looking for Job	
9,143	4,803	2,737	2,065	1,694	861	766	833	2,646
		57%	43%		51%	89%	49%	

Sources: State of Michigan One-Stop Management Information System (OSMIS), data obtained from the 25 Michigan Works! Agencies. Variation between Enrolled in Training and the sum of Still in Training, Completed Training and Didn't Complete Training is a timing issue caused when similar reports are ran on different days i.e. enrollments may be added between runs.

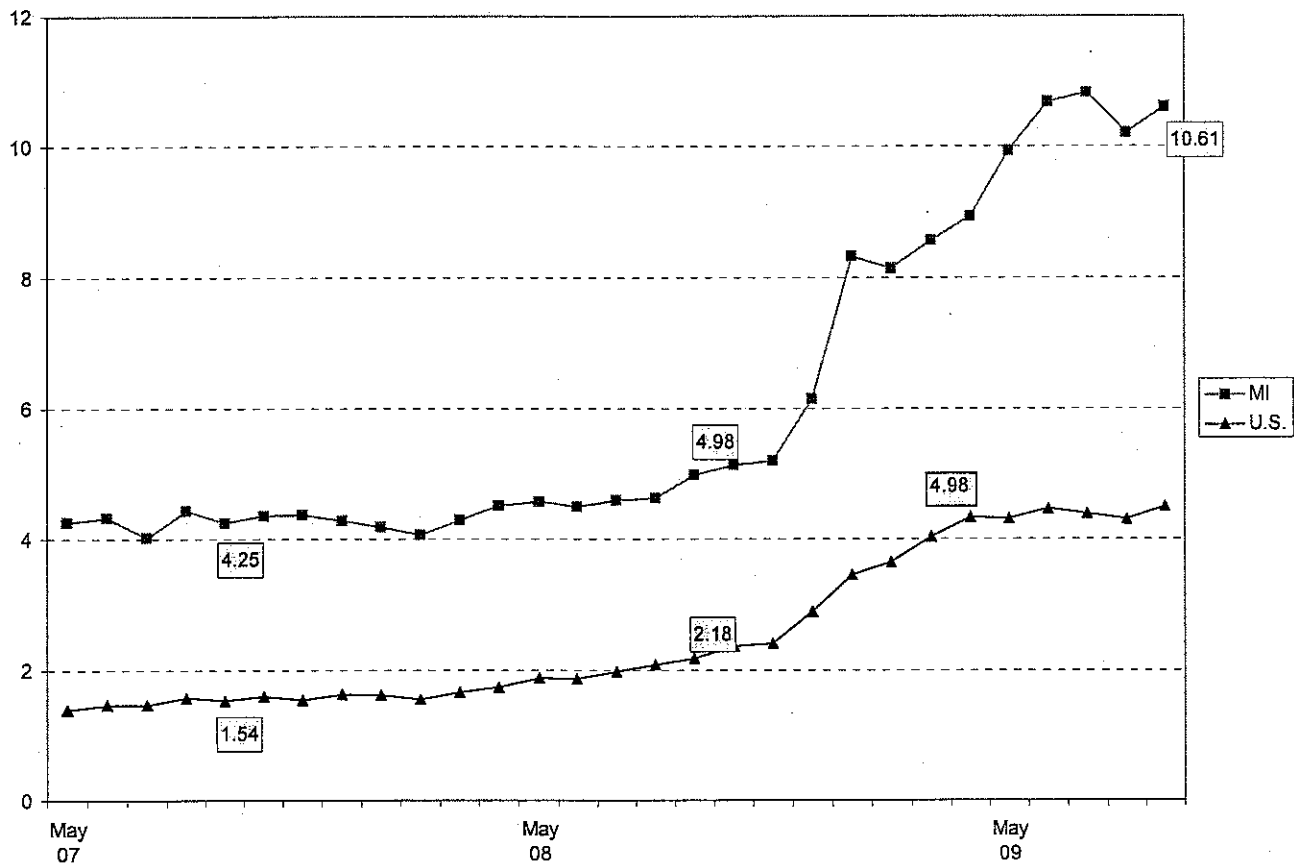
- Michigan Rehabilitation Services (MRS) customers are people with disabilities.
- Unemployment among people with disabilities is usually two to three times the figure for the general population.
- Many MRS customers also face multiple barriers to employment and often require longer training and preparation for work than WIA and TAA participants. That's demonstrated by the fact that only 19% have completed training, contrasted with 45% of WIA/TAA supported participants.
- Typically, MRS participants have somewhat lower outcomes than do WIA and TAA participants. However, in these data, the employment outcomes track closely with those for unemployed and underemployed participants – roughly half of those who completed training got a job and half are still looking.

## Why it's Great That Nearly Half of Core NWLB Participants Already Found a Job

Despite facing double digit unemployment rates across the state, nearly half of core NWLB participants found a new job. Many of them completed training toward the end of the 18 months and found a job quickly.

The challenge of finding a job during this period can be illustrated by looking at the relationship of online job postings to the number of people looking for work. The following charts show that (a) the ratio of unemployed workers to posted jobs was twice as large in Michigan, as was the case nationwide, and (b) during the 18 months of NWLB's startup, the ratio of resumes posted in the Michigan Talent Bank soared (a 40% increase), while the number of jobs posted went down by 50%.

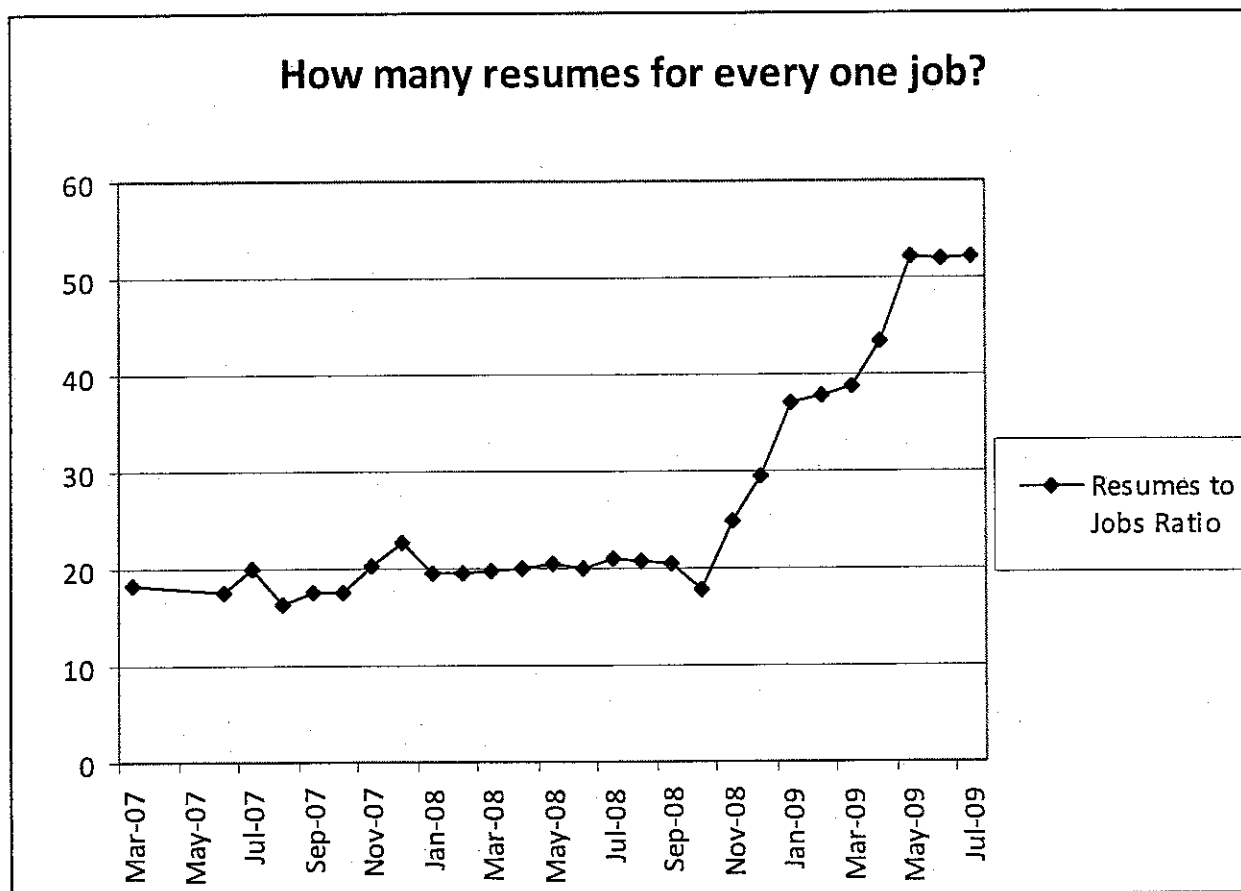
### Michigan's Ratio of Unemployed People to Job Openings is Twice That of the Nation as a Whole



Sources: HWOL – The Conference Board, DELEG, BLS

The above chart depicts the Labor Market Supply/Demand Rate for Michigan and the U.S. This rate is the number of unemployed persons divided by the number of total online advertisements. For example, in September 2009, Michigan had a Supply/Demand Rate of 10.61, there were 10.61 unemployed Michiganders seeking employment for every online job vacancy.

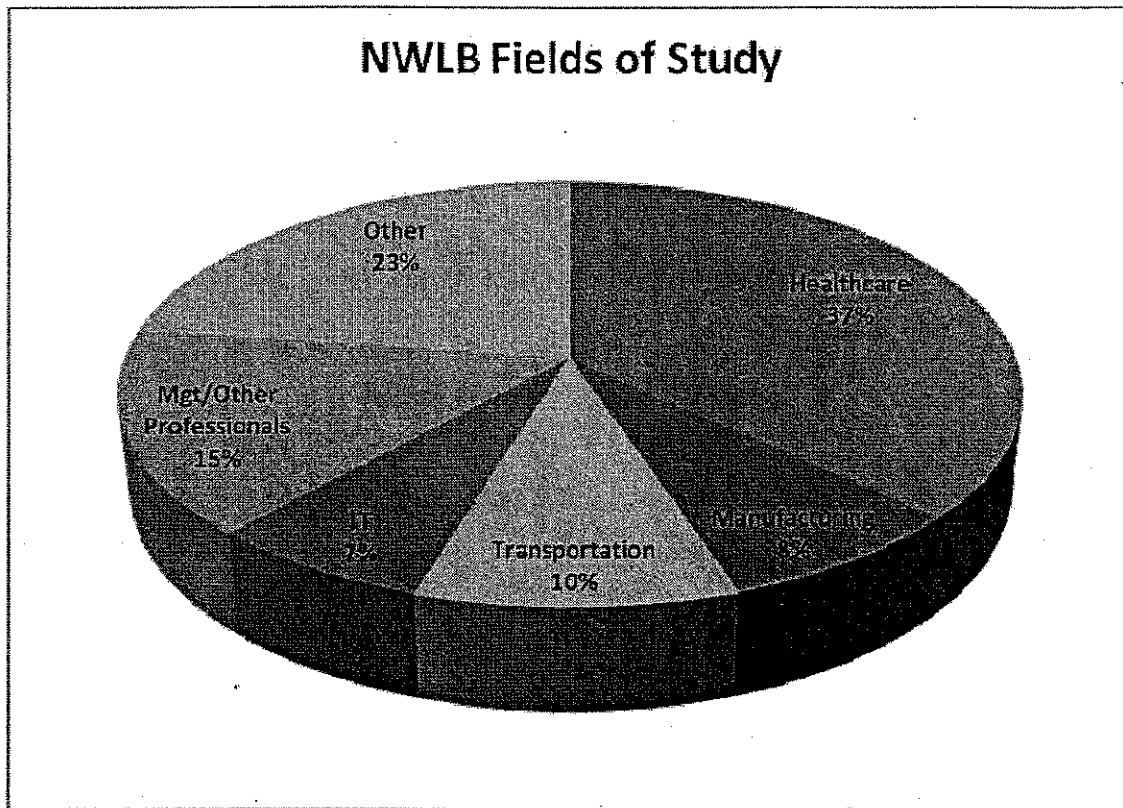
**Resumes keep increasing on the MI Talent Bank while available jobs are declining.  
Currently, there are over 50 resumes for every job.**



Source: MI Talent Bank, MI DELEG



## What are people studying?



- NWLB core participants are choosing fields of study that prepare them for in-demand occupations. Thirty-seven percent of them are engaged in health care training, 15% in managerial and other professional training, 10% in transportation (which includes occupations such as truck driving), 8% in manufacturing, 7% in information technology and 23% in other fields of study.



## THE DARK AGES

*As America hopes for recovery, Michigan needs whole-scale reinvention. It may be 15 years before the state returns to prosperity*

The Economist, January 14, 2010

THE sign for the American Beauty Electric Iron building in Detroit has only five letters left, spaced far apart in a gap-toothed grin. The building itself is empty except for a few trees. Across the street, however, a building buzzes. TechTown, a project of Detroit's Wayne State University, offers classes, offices and other support for entrepreneurs of all kinds. Jarrett Erwin wants to expand his painting business. Robert Brooks, a former engineer at Ford, wants to start a consultancy for non-profits. In a state whose economy has shattered, TechTown is one of many attempts to start anew. It is a daunting task.

Michigan was once a Canaan, rich with jobs in the car industry. "Detroit is the largest city of opportunity in the world," declared a city directory in the mid-1920s. In 2010 Michigan is America's most vivid portrait of despair, with an unemployment rate of 14.7%, almost five points above the national average. The state is not short of ideas. From Detroit's grey streets to the lovely bays along the Great Lakes, it teems with plans for future prosperity. However, recovery is only a distant goal. The interim will be full of hope and disappointment.

The national recession began in December 2007 and has probably now ended. Michigan, its fate yoked to that of carmakers, must observe its own dismal calendar. The state has lost jobs in every year since the middle of 2000 (see chart), the longest stretch since at least the 1930s according to economists at the University of Michigan. Michigan's loan delinquencies have outpaced America's for more than eight years. In 2001 Michigan ranked 20th for personal income per capita. By 2008 it ranked 37th. Even given this history, 2009 was particularly painful. The bankruptcies of Chrysler and General Motors were devastating. State economists reckon that car manufacturing shed 30% of its jobs in 2009. The state's total employment level is more than one-fifth smaller than it was in June 2000.

There are some hopeful signs from the Big Three. Ford posted profits of almost \$1 billion in the third quarter, aided by the "cash-for-clunkers" programme. Chrysler and GM emerged from bankruptcy freed of burdensome debt and cost structures. But the old glory days will not return soon. According to economists at the University of Michigan, the market share of the Big Three will continue to drop even as car sales recover. By 2011, the economists expect car manufacturing to employ about one-quarter of the workers it did in 2000. The loss is staggering.

### Plans for the future

Faced with such a void, Michigan is searching for ways to fill it. For years, the state has sought to attract new businesses and cling to existing ones. More recently, a lovely tourism campaign has advertised Michigan's beaches and forests, a bright antidote to relentless gloomy news stories.

But the loftiest ideas centre on transforming the rusty state into a "new economy" powerhouse. Jennifer Granholm, Michigan's governor, wants to use grants and tax incentives to make Michigan a hub for green jobs and advanced-battery technology in particular. She has had some success. When the Recovery Act awarded grants for advanced-battery development last summer, Michigan won \$1.35 billion, more than any

other state. Such efforts, the state hopes, will build on existing engineering expertise and help Michigan's manufacturing base begin a new era.

Universities, too, are preparing to play a bigger role in the state's economy. The top-notch University of Michigan, a mere 40-minute drive from Detroit, is filled with cheerful cafés and big brains. The three-year-old University Research Corridor is a collaboration between Michigan's three main universities. "I describe it as the university becoming much more porous", explains Mary Sue Coleman, president of the University of Michigan. She hopes to improve ties with businesses and ease the commercialisation of academic research. Just as energetic is the attempt to nurture a new generation of entrepreneurs. (For 100 years, Michigan coasted on the success of that hyperactive entrepreneur, Henry Ford.) The University of Michigan has a two-year-old Centre for Entrepreneurship, providing classes and other support to students with business ideas. In Detroit, Wayne State University's TechTown is a research park as well as an incubator for new companies. TechTown hopes to help create 1,200 start-ups by 2012.

However it is impossible to guess whether such efforts will pull Michigan out of the mire. Advanced-battery firms may move their headquarters to New York and their production to Asia. A spin-off from a university may employ only a few, highly skilled workers. Some entrepreneurs may succeed. Many will fail. Timothy Bartik of the Upjohn Institute, a regional think-tank, recommends more staid ways of improving Michigan's labour market, such as investing in universal pre-kindergarten, or boosting business by cutting the marginal tax rate for firms that expand.

Regardless, the reinvented Michigan remains only an idea. The University of Michigan expects employment to begin rising in the fourth quarter of 2011. But Michigan's employment level is not predicted to return to its 2000 peak until 2025 at the earliest.

### **The painful present**

In the meantime, the state must grapple with an uncomfortable reality: its government and workforce are framed around an economy that no longer exists. Revenue for Michigan's general fund has fallen by a devastating 43% since 2000, adjusted for inflation. Prisons and Medicaid gobble almost half of the general fund, leaving little money to spend elsewhere. Despite all the talk of universities' importance, funding for higher education has dropped by 22% since 2002. Michigan will be even more pinched next year, as money from the Recovery Act runs out. Mitchell Bean, director of the non-partisan House Fiscal Agency, argues that Michigan's revenue system is in desperate need of reform. But even if the state extends its sales tax to services as well as goods, it will need to reconsider what it can afford to provide. "What should state government really do?", Mr Bean asks.

As politicians mull such questions in the capital, workers across the state are confronting their own dilemmas. Thousands are without jobs and many are tethered to Michigan, unable to sell their homes. The worst affected are those who had high-wage, low-skill jobs. "The bottom has fallen out for the unskilled manufacturing worker," says Andy Levin, the state's director of workforce development.

Mr Levin hopes that new skills will give workers a path forward. Michigan's retraining programme, No Worker Left Behind (NWLB), is the country's most ambitious, scraping together federal and state money to send workers to school for up to two years. Between August 2007, when NWLB began, and November 2009 the scheme enrolled 108,884 workers in training. Even more are waiting to attend school. Over 16,000 workers were on its waiting list at the end of November. But better skills do not guarantee work. According to the most recent data 48% of those trained in NWLB had found a job; 52% had not. There are over 50 résumés for each job listed in Michigan's data base.

Given this climate many young educated workers are fleeing the state. About 40% of Michigan-born graduates leave each year, according to a two-year-old survey. It is not through lack of local pride. On any Saturday during football season, graduates from the University of Michigan cram into Duffy's bar to cheer on their beloved Wolverines. Duffy's, though, is in Chicago.



## NO WORKER LEFT BEHIND

Peter Doocy, Fox News, January 26, 2010

If you live in Michigan and are either out of a job, about to be out of a job, or in a job, but have a family income less than \$40,000, you are in luck. Michigan's "No Worker Left Behind," program is helping the unemployed and underemployed learn the skills they need to succeed in a state economy that is rapidly transforming a lot of manual labor into more computerized fields. How? By offering free tuition- up to \$10,000 over two years at any Michigan community college, university, or other approved training program.

Susan DiVanni is taking advantage of the program, and she says, "You have two schools of thought when you lose your job: you can either sit and cry about it, or you can do something about it." Dale Newman is learning to weld because he was laid off after 26 years as a parts manager at a GM plant. He said he has no prior welding experience, but the "No Worker Left Behind" program is helping him get back to work. He isn't alone: in the first two years of the program, about 110,000 people have gone back to school under the program and of its graduates, 72% have jobs so far.

"No Worker Left Behind," has been extremely popular in the Great Lakes State, which has had the nation's highest unemployment rate for much of the last four years, and whose 14.6% unemployment is currently America's highest. The program initially outgrew expectations, and hit 100,000 enrollees back in November- ten months sooner than projected. To keep the program alive, the state issued emergency grants, and now the state seems to be adjusting well to the added demand- even with a waiting list of 16,000 eager residents. **LAI-D-OFF WORKERS SEIZE FRESH START**

*They opt to train in Michigan's free tuition program*

Katherine Yung, Detroit Free Press, August 11, 2009

<http://www.freep.com/article/20090811/BUSINESS06/908110369/Laid-off-workers-seize-chance-for-fresh-start>

In the midst of the deep economic slump, thousands of laid-off Michiganders are going back to school to learn new skills in one of the biggest retraining efforts the state has seen.

The surge of unemployed residents flooding into classrooms has been sparked by the 2-year-old No Worker Left Behind program, a state initiative that provides up to two years of free tuition at Michigan community colleges, universities and some trade schools.

The enormous demand for the benefits has led to long waits for orientation sessions at many Michigan Works! service centers. To accommodate the huge interest, some of these facilities are offering two or more sessions a day.

Data isn't yet available to judge the effectiveness of the program. But if it helps thousands of autoworkers transition into new careers, experts say it could become a model for other economically depressed states.

"The rest of the country should learn from the effort," President Barack Obama told a gathering at Macomb Community College in Warren last month.

### *Thousands are on waiting list*

Two years after Michigan launched its No Worker Left Behind initiative, one thing's for certain: Laid-off workers can't get enough of the popular job-training program.

State economic development officials are likely to exceed their goal of training 100,000 residents in three years. At the end of June, 81,217 Michiganders had enrolled in the program, and nearly 8,000 were on a waiting list to attend either orientation sessions or their first classes.

The response has been so high that workforce officials expect the state to continue offering No Worker Left Behind beyond mid-2010, when the program is supposed to end.

"It's incredibly helpful," said Kate Romano, who is taking courses at Macomb Community College to get her associate's degree in nursing.

The 31-year-old Warren resident was about to take out student loans when she heard about No Worker Left Behind. Romano had lost an administrative job in early 2008 and her husband's carpentry business had slowed.

Today, Romano counts herself blessed. Thanks to No Worker Left Behind, she isn't paying a dime for her classes or books and the money doesn't need to be paid back.

The program provides up to \$5,000 a year in tuition for two years for laid-off Michiganders studying to get a degree or certification in high-demand occupations such as nursing. To qualify, participants must pass a basic skills test or take remedial training.

"I don't think most people who lose their jobs today can go out and replace their income without some training," said Andy Levin, deputy director of the Michigan Department of Energy, Labor & Economic Growth. "It makes Michigan competitive."

But so far, it's unclear whether No Worker Left Behind helps people get new jobs. Michiganders who gain new skills still face one of the worst job markets in decades, making it likely that many won't obtain employment immediately after they finish school.

Yet for many of the state's jobless, few options exist other than retraining, said Kevin Hollenbeck, a senior economist at the W.E. Upjohn Institute for Employment Research.

No Worker Left Behind has not cost Michigan much. The program's funding is estimated to be \$139 million this fiscal year and \$88 million the previous year. But 95% of the money has come from numerous federal programs, with Michigan's cash-strapped coffers contributing only about \$3 million.

In some ways, No Worker Left Behind isn't that different from previous retraining programs. But today, more jobless workers are seeking longer-term training to get associate's, bachelor's and other degrees.

This trend is boosting enrollment at the state's community colleges, with Macomb Community College in Warren seeing the biggest increase.

"We've got higher enrollment now than we've ever had," said Jim Sawyer, the college's vice provost for career programs.



The huge demand for No Worker Left Behind means some laid-off Michiganders wait weeks or months to attend orientation sessions. Others have encountered long delays to see case managers.

To get around a six-month wait list for orientation sessions in Pontiac, Alton Barnett drove to a Michigan Works! center in downtown Detroit that offers twice-daily orientations -- with no delays to get in.

Barnett, 21, wants to land a job in computer networking by enrolling in a two-year program at the Global Information Technology school in Lathrup Village. That would be a big step up from the minimum wage he had been earning at a Little Caesars Pizza store.

"It's always good to have free training," he said. "Especially with me being young, I definitely want to do better."

For other Michiganders, taking advantage of No Worker Left Behind has been a hassle-free experience.

The program is helping Alaina Koppsch of Clinton Township make the leap from losing an administrative job at a heating and cooling business to becoming a nurse for people suffering from Alzheimer's and dementia. When the 28-year-old graduates from Macomb Community College's nursing program next spring, she intends to stay in Michigan.

"I'm going to need to give back," said Koppsch, expressing her gratefulness for No Worker Left Behind. "It's my turn."

